

STATEMENT

OF

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U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

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SUBCOMMITTEE ON EMERGENCY PREPAREDNESS, RESPONSE AND COMMUNICATIONS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

“HOMELAND SECURITY GRANTS: MEASURING OUR INVESTMENTS”

Submitted
By

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Chairwoman Brooks, Ranking Member Payne, and Members of the Subcommittee: Good morning. I am Timothy Manning, FEMA's Deputy Administrator for Protection and National Preparedness. On behalf of Secretary Napolitano and Administrator Fugate, it is my pleasure to appear before you today to discuss the Department of Homeland Security's (DHS) preparedness grant programs.

As this committee is aware, FEMA's preparedness grant programs have contributed significantly to the overall security and preparedness of the Nation. By providing funds, encouraging State and local collaboration, and encouraging planning, these programs have enhanced the security and preparedness of States, Territories, Tribal Nations, regions, cities, borders, ports and transit systems. As a Nation, we are more secure and better prepared to prevent, protect, and mitigate the impact of all threats than we have been at any time in our history. We plan better, we train better, we work together better, and we respond and recover better. And with each passing year, our planning, preparations, and capabilities continue to mature.

Much of this progress has come from leadership at the State, and local levels, fueled by the preparedness grant programs. Over the past 10 years, Congress, through the Department of Homeland Security, has provided State, territorial, local, and tribal governments with more than \$35 billion in funding to enhance the nation's ability to plan for, protect against, prevent, mitigate, respond to and recover from natural disasters, terrorist attacks and other events. We have built and enhanced capabilities by acquiring needed equipment, offering training to personnel, developing plans, exercising and building relationships across city, county, and State lines. Although Federal funds represent just a fraction of what has been spent on homeland security across the Nation overall, these funds and the development of capabilities they have made possible, have changed the culture of preparedness in the United States.

The first National Preparedness Report, released last year, provided specific accomplishments in the context of the core capabilities identified in the National Preparedness Goal. Among the Report's findings, the Nation has made significant progress and has achieved a high degree of maturity in several core capabilities, particularly in cross-cutting, common capabilities and those that support disaster response. Planning, operational coordination, interoperable communications, intelligence and information sharing, environmental response, health and safety, search and rescue, and public health and medical services stood out as areas where we are particularly strong. This is due in large part to the significant investments we have made in those areas. Since 2006, our state, local, tribal and other partners have applied for more than \$7.3 billion in preparedness assistance from DHS to support the core capabilities identified in the National Preparedness Goal.

The development and maturation of state and major urban area fusion centers represent just one example of the impact our grant programs have in states and communities across the nation. Fusion centers function as focal points – information hubs – within State and local jurisdictions to provide for the gathering, receipt, analysis, and sharing of critical information and intelligence among Federal, State and local agencies. Funding to support fusion centers has been leveraged from several of the Homeland Security Grant Programs, specifically the State Homeland Security Program (SHSP) and the Urban Areas Security Initiative (UASI) Grant Program. As of March 2013, 78 designated State and major urban area fusion centers exist nationally, greatly enhancing the Nation's ability to share critical information among all levels of government and the private sector.

Additional areas of success include improved planning capabilities and operational coordination among response agencies. For example, the Nation has significantly improved the adequacy, feasibility, and completeness of plans for catastrophic events, due in part to significant State and local investments in planning activities through FEMA grant programs. The 2010 Nationwide Plan Review showed significant increases from 2006 in the number of jurisdictions confident in their plans for catastrophic events. By 2010, more than 75 percent of States and more than 80 percent of urban areas were confident that their overall basic emergency operations plans were well suited to meet the challenges of a large-scale catastrophic event. Additionally, both States and urban areas show high degrees of confidence in their functional plans appendices and in their hazard-

specific plans. Not surprisingly, they were particularly confident in plans for events with which they have some experience, such as flooding or tornadoes. FEMA has included planning as an allowable use of grants since 2003 and has emphasized planning as a priority for preparedness funding since 2006.

FEMA preparedness grant programs also have built operational coordination capabilities, specifically helping to establish the National Incident Management System (NIMS) as the common incident management doctrine for the nation. Prior to the introduction of NIMS in 2004, the nation had no single, official incident management system. By 2011, nearly 10 million homeland security and emergency management professionals, volunteers and students from across the Nation had successfully completed the FEMA-sponsored independent study courses on the National Incident Management System.

One of our most visible success stories involves the search and rescue capabilities we have built across the nation with our homeland security grant dollars. Currently, there are approximately 300 State and/or local urban search-and-rescue (US&R) teams; only 55 percent of these teams existed prior to 2001. At the time of the September 11, 2001 terrorist attacks, many major population centers in the United States lacked search and rescue coverage. Today, there are US&R teams within a four hour drive of 97 percent of the Nation's population. This national expansion of State and local US&R capabilities is a direct result of Federal funding and training: from Fiscal Year 2006 through Fiscal Year 2010, recipients of State and local homeland security grant funds allocated approximately \$158 million in preparedness assistance to build and maintain US&R capabilities. As a result, in the aftermath of the deadly April 2011 outbreak of tornadoes in the United States, Alabama mobilized State and local US&R teams to support response operations in Marion, Jefferson, Franklin and Tuscaloosa counties. This enhanced local and regional capacity resulted in a faster and more effective response than would previously have been possible. The entire search and rescue operation was conducted by state and local assets. Federal resources were never requested, and that is the ultimate marker of success.

Monitoring Our Progress

As our preparedness has improved so, too, has our ability to measure preparedness and to understand the role played by the grant programs in these improvements. In the past several years, FEMA has made significant improvements to its internal operations and in its management and oversight of the Homeland Security Grant Program. We also have enhanced our ability to measure the effectiveness of grant dollars on the Nations' overall preparedness.

I would first like to discuss FEMA's grant monitoring programs, which involves both financial and programmatic oversight to ensure accountability and proper management of preparedness grants. Our monitoring regime ensures that:

- Funds are used in accordance with Federal law, regulations and administrative procedures.
- Funds are utilized to meet the objectives of the grant program as determined by law or grant guidance.
- Waste, fraud and abuse of grant funding is identified where it may exist and is eliminated.
- Grantees are practicing sound grant management practices and making progress toward program goals.

In Fiscal Year 2013, FEMA implemented an integrated monitoring plan designed to realize efficiencies and improve information sharing between the financial and programmatic monitoring staff. While financial and programmatic monitoring works hand-in-hand, they entail separate methodologies and processes. *Financial* monitoring focuses on compliance with statutory, regulatory, and FEMA grant administration requirements. *Programmatic* monitoring is designed to identify administrative or performance issues that threaten the success of grant objectives, and to target assistance to resolve those issues as early as possible in the grant cycle – before they become crises. Over time, the integrated analysis of financial and programmatic monitoring data

will increase our ability to identify common issues and challenges and to proactively target assistance to grantees.

The foundation of the integrated monitoring program is an assessment-based approach to portfolio management that allows FEMA to direct scarce monitoring resources to grantees and programs that may require additional attention or assistance. Under the assessment-based approach, every open grant is reviewed annually using a programmatic baseline assessment as well as a periodic analysis of cash transactions. The programmatic baseline assessment looks at key indicators of risk including: the dollar value of the grant, prior indications of problems, whether the grantee is new or has had a recent change in staff, the grantee's audit history, its record of responsiveness and collaboration, the complexity of the grant and the amount of time since the last assessment site visit.

The cash analysis is completed quarterly or semi-annually, depending on the grant program, and compares grant draw down information to grant implementation progress reports to track financial progress. These reviews help FEMA determine which grants should receive further attention, either through closer examination of records submitted by the grantee, or through site visits, to review documentation with the grantee.

This approach lays the foundation for future financial assessment-based monitoring that will support FEMA's and DHS's risk management philosophy. As a result of these efforts, over the past two and a half years FEMA has made significant improvements to its grant monitoring activities. In the future, FEMA will require all grant applications to include project-level information. This will provide FEMA with an unprecedented level of information about how grantees are using their grant funds. This will improve FEMA's ability to ensure that grant spending is efficient, targeted and coordinated and will better enable FEMA to document how grantees are making progress towards filling capability gaps.

Measuring Preparedness: The National Preparedness System

In March 2011, President Obama signed Presidential Policy Directive (PPD) 8 on National Preparedness. In it, the President directed the development of a national preparedness goal that identifies the core capabilities necessary for preparedness and a national preparedness system to guide activities that will enable the nation to achieve the goal. Plainly stated, the National Preparedness Goal, developed through a collaborative process including all levels of government, the private sector and the general public, envisions a secure and resilient Nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.

As a Nation, we cannot understand our progress in achieving the National Preparedness Goal (NPG) without an understanding of our collective preparedness efforts. The National Preparedness System is the instrument the Nation will employ to build, sustain, and deliver those core capabilities in order to achieve the goal of a secure and resilient Nation. The components of the National Preparedness System include: identifying and assessing risk, estimating the level of capabilities needed to address those risks, building or sustaining the required levels of capability, developing and implementing plans to deliver those capabilities, validating and monitoring progress, and reviewing and updating efforts to promote continuous improvement.

Developing and maintaining an understanding of the variety of risks faced by communities and the Nation, and how this information can be used to build and sustain preparedness, are essential components of the National Preparedness System. Risk varies across the Nation—for example, a municipal risk assessment will reflect a subset of the threats, hazards and related consequences contained in a State or Federal risk assessment. A risk assessment collects information regarding the threats and hazards, including the projected consequences or impacts.

This year, FEMA released the methodology for determining risks in Comprehensive Preparedness Guide 201: Threat and Hazard Identification and Risk Assessment (THIRA) Guide (CPG-201). The THIRA process is an all-hazards assessment tool developed by FEMA for use by jurisdictions of all sizes. Diverging from past efforts to establish measures and metrics for a capability that would be applied uniformly, this approach allows a jurisdiction to establish its own capability targets based on the risks it faces. It expands on existing local, state, territorial, and tribal hazard identification and risk assessments and other risk methodologies by broadening the factors considered in the process, incorporating the whole community from the beginning to the end of the process, and by accounting for important community-specific factors. This knowledge allows a jurisdiction to establish informed and defensible capability targets and commit appropriate resources to sustain existing capabilities and to close the gap between current capabilities and the required levels identified during the capability estimation process.

When existing capabilities need to be supplemented to reach a required level, communities might develop strategies that address shortfalls through local, regional, or national mutual aid agreements or they could choose to obtain the necessary resources through the private sector. They also may determine that they need to build a capability themselves, and they may choose to use federal preparedness grants to do so. Cities, counties, states, territories, and tribes may require the resources of other levels of government to achieve a capability target, especially for catastrophic incidents. Accordingly, FEMA requires States to participate in the Emergency Management Assistance Compact (EMAC) as a condition for grant funding. EMAC offers assistance during a Governor's declared State of Emergency through a responsive, straight-forward system that allows States to send personnel, equipment, and commodities to help disaster relief efforts in other States.

The results of the THIRA and other National Preparedness System components, such as the capability estimation process, are designed to allow jurisdictions at all levels of government to make informed decisions about how to allocate their resources to build and sustain capabilities. Existing reporting mechanisms, such as the State Preparedness Report (SPR), can then be used to communicate progress toward achieving capability targets and to inform assessments such as the National Preparedness Report. Taken together, the THIRA results and the SPR will identify capability needs. These products will allow the Nation to look holistically across all capabilities and whole community partners to gauge areas of strength and areas for improvement. FEMA reports the results of the capability assessments annually in the *National Preparedness Report*.

Evolving the Grant Program: The National Preparedness Grant Program

Federal investments in state, local and tribal preparedness capabilities have contributed to the development of a significant national-level capacity to prevent, protect against, respond to, and recover from disasters of all kinds. As we look ahead, to address evolving threats and make the most of limited resources, in the FY 2013 Budget Administration proposes to reform the grant programs and establish a National Preparedness Grant Program (NPGP) to focus on building and sustaining core capabilities associated with the five mission areas within the NPG that are readily deployable and cross-jurisdictional, helping to elevate nationwide preparedness.

The proposed NPGP would consolidate current state and local preparedness grant programs into one overarching program (excluding Emergency Management Performance Grants and fire grants) to enable grantees to build and sustain core capabilities outlined in the NPG collaboratively. As a single, comprehensive grant program, the NPGP would eliminate the redundancies and requirements placed on both the Federal Government and the grantees resulting from the current system of multiple individual, and often disconnected, grant programs. By removing stovepipes, encouraging collaboration among disciplines and across levels of government, state and local governments would be able to collectively prioritize their needs and allocate increasingly scarce grant dollars where they would have the greatest impact.

The NPGP would prioritize the development and sustainment of core capabilities as outlined in the National Preparedness Goal. Particular emphasis would be placed on building and sustaining capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States and could be utilized to address multiple threats and hazards. The NPGP would use a comprehensive process for assessing regional and national capability gaps through the THIRA process to prioritize and invest in key deployable capabilities.

The NPGP would draw upon and strengthen existing grants processes, procedures and structures, emphasizing the need for greater collaboration and unity among Federal, state, local and tribal partners. This is particularly important as they work together to make smarter investment decisions, develop deployable capabilities, and share resources through Emergency Management Assistance Compacts (EMAC) or other mutual aid/assistance agreements. In many ways, the NPGP structure mirrors the collaboration and decision making process that occurs during disasters, when various stakeholders and jurisdictions come together to plan, build, and execute capabilities together.

Under the proposed NPGP, grantees would be required to match their proposed investments to core capabilities, incorporate effectiveness measures, and regularly report progress on the acquisition and development of identified capabilities. These measures would enable all levels of government to collectively demonstrate how the proposed investment would build and sustain core capabilities necessary to strengthen the Nation's preparedness.

Thank you for the opportunity to discuss these important issues before the Subcommittee. I am happy to respond to any questions you may have.